

SENATE BILL 714

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2000 Regular Session
0lr2266
CF 0lr2267

By: **Senator McFadden (Baltimore City Administration)**

Introduced and read first time: February 4, 2000

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Landlord and Tenant - Leases - Perpetual Renewal Covenants - Reversion**
3 **and Abandonment**

4 FOR the purpose of providing that a leasehold interest does not automatically revert
5 at the expiration of a lease that contains a covenant of perpetual renewal;
6 requiring a landlord, in order to recover a certain leasehold interest, to record a
7 certain notice and deliver a copy of that notice to the tenant; providing that a
8 tenant will remain bound by the terms of certain expired leases in certain
9 circumstances; requiring a tenant, in order to abandon a certain leasehold
10 interest, to record a certain notice and meet certain conditions; specifying the
11 contents of certain notices; requiring that certain notices may not be recorded
12 until certain conditions are met; and generally relating to the reversion and
13 abandonment of a leasehold interest at the expiration of a lease that contains a
14 covenant of perpetual renewal.

15 BY adding to
16 Article - Real Property
17 Section 8-109.1
18 Annotated Code of Maryland
19 (1996 Replacement Volume and 1999 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
21 MARYLAND, That the Laws of Maryland read as follows:

22 **Article - Real Property**

23 8-109.1.

24 (A) A LEASEHOLD INTEREST DOES NOT AUTOMATICALLY REVERT TO A
25 LANDLORD AT THE EXPIRATION OF A LEASE THAT CONTAINS A COVENANT OF
26 PERPETUAL RENEWAL.

27 (B) (1) IN ORDER TO RECOVER A LEASEHOLD INTEREST DESCRIBED UNDER
28 SUBSECTION (A) OF THIS SECTION, A LANDLORD SHALL RECORD A NOTICE OF
29 REVERSION OF THE LEASEHOLD INTEREST IN THE LAND RECORDS OF THE COUNTY

1 IN WHICH THE PROPERTY IS LOCATED AND DELIVER A COPY OF THE NOTICE TO THE
2 TENANT OF THAT LEASEHOLD INTEREST.

3 (2) THE NOTICE OF REVERSION DESCRIBED IN PARAGRAPH (1) OF THIS
4 SUBSECTION SHALL CONTAIN:

5 (I) THE LOCATION OF THE PROPERTY, DESIGNATED BY BOTH
6 BLOCK AND LOT AND STREET ADDRESS;

7 (II) THE DEED REFERENCE FOR THE LEASEHOLD INTEREST AND
8 THE DATE ON WHICH THE LEASE EXPIRED; AND

9 (III) THE NAME AND ADDRESS OF THE HOLDER OF THE
10 REVERSIONARY INTEREST.

11 (C) (1) IF A LANDLORD DOES NOT ACT TO RECOVER A LEASEHOLD
12 INTEREST AT THE EXPIRATION OF A LEASE THAT CONTAINS A COVENANT OF
13 PERPETUAL RENEWAL, THE TENANT REMAINS LIABLE FOR THE RENT AND IS BOUND
14 BY ANY COVENANTS, CONDITIONS, AND STIPULATIONS OF THE LEASE UNTIL:

15 (I) THE PROPERTY IS NOT SUBJECT TO A LIEN FOR TAXES OR
16 RELATED CHARGES AND ASSESSMENTS;

17 (II) THE PROPERTY IS NOT SUBJECT TO A MORTGAGE OR A DEED
18 OR TRUST; AND

19 (III) THE TENANT RECORDS A NOTICE OF ABANDONMENT OF THE
20 LEASEHOLD INTEREST IN THE LAND RECORDS OF THE COUNTY IN WHICH THE
21 PROPERTY IS LOCATED AND DELIVERS A COPY OF THE NOTICE TO THE LANDLORD.

22 (2) THE NOTICE OF ABANDONMENT DESCRIBED IN PARAGRAPH (1) OF
23 THIS SUBSECTION SHALL CONTAIN:

24 (I) THE LOCATION OF THE PROPERTY, DESIGNATED BY BOTH
25 BLOCK AND LOT AND STREET ADDRESS;

26 (II) THE DEED REFERENCE FOR THE LEASEHOLD INTEREST AND
27 THE DATE ON WHICH THE LEASE EXPIRED;

28 (III) A STATEMENT THAT THE PROPERTY IS NOT SUBJECT TO A
29 MORTGAGE, A DEED OF TRUST, OR A TAX LIEN; AND

30 (IV) AN AFFIRMATION BY THE TENANT UNDER OATH THAT THE
31 INFORMATION CONTAINED IN THE NOTICE OF ABANDONMENT IS TRUE.

32 (D) A NOTICE OF REVERSION OR A NOTICE OF ABANDONMENT DESCRIBED
33 UNDER THIS SECTION MAY NOT BE RECORDED UNTIL THE SUBJECT PROPERTY IS
34 TRANSFERRED ON THE ASSESSMENT BOOKS OF THE COUNTY IN WHICH THE
35 PROPERTY IS LOCATED, AS DESCRIBED IN § 3-104 OF THIS ARTICLE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2000.